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In the Matter of )  
 ) CC Docket No. 92-237  
Administration of the ) Phase II  
North American Numbering Plan )

COMMENTS OF THE AMERITECH OPERATING COMPANIES

The Ameritech Operating Companies<sup>1</sup> hereby submit these Comments in response to Phase II of the Federal Communications Commission's (Commission) Notice of Inquiry in the above-captioned docket.<sup>2</sup>

The Commission has requested comment on various issues related to its potential reconsideration of the industry's decision to expand Feature Group D (FGD) carrier identification codes (CIC). The current CIC format of 10XXX accommodates 969 potential users; the planned 1995 expansion to a 101XXXX format would avoid CIC exhaust by providing 9,000 potential CICs. The plan to avoid CIC exhaust has been discussed extensively in industry forums and with the Commission since at least 1988, and is currently scheduled for implementation during the first half of 1995. In anticipation of the impending implementation, and in reliance on industry consensus, the Companies have done substantial work with vendors to resolve complex technical problems, and have committed to the expenditure of significant sums of money for the

<sup>1</sup>The Ameritech Operating Companies ("Companies") are: Illinois Bell Telephone Company, Indiana Bell Telephone Company, Incorporated, Michigan Bell Telephone Company, The Ohio Bell Telephone Company and Wisconsin Bell, Inc.

<sup>2</sup>Administration of the North American Numbering Plan, Notice of Inquiry, CC Docket No. 92-237, 7 F.C.C. Rcd 6837 (released October 29, 1992) (NOI).

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necessary changes to switching systems and operations support systems. If the Commission prevents, delays or otherwise interferes with CIC expansion at this late date, it could drastically increase the costs of CIC expansion and cause delays which could imperil adequate CIC supply. The Companies do not believe that the Commission should open a rulemaking proceeding on CIC expansion or otherwise second guess the industry's decision to proceed with this project.

A. Substantial Costs for FGD CIC Expansion Have  
Already Been Incurred and Technical Issues Have Largely  
Been Resolved

As the Commission is aware, the decision to expand CICs was the result of industry consensus, with regulatory oversight. The process began with a series of open workshops conducted in 1988. As a result of these workshops, it became clear that the best solution was to expand the CIC format to four digits.<sup>3</sup> This recommendation was presented to, and approved by, The Industry Carrier Compatibility Forum (ICCF) in 1988. The ICCF is a public forum that is open to all industry members, including regulators. The Commission's staff on occasion attends ICCF meetings. The Commission's staff is also consulted on all significant ICCF decisions. The Ameritech Operating Companies concurred in this decision to expand CICs.

One way to develop and measure the costs to implement CIC expansion would be to look at the cost of all necessary infrastructure improvements. These "stand-alone" costs would have been quite high. The Companies had estimated

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<sup>3</sup>The broad support for 4-digit CIC expansion was documented in detail in the Reply Comments of the Ameritech Operating Companies in Administration of the North American Numbering Plan, DA 91-1307, pp. 3-5 (filed January 17, 1992). As the Companies explained there, CIC expansion plans are the only reasonable alternative to a complete moratorium on the assignment of CICs to new interexchange carriers (ICs) and enhanced service providers (ESPs) who need CICs to enter the business.

that the cost of stand-alone switch upgrades and software changes necessary to implement CIC expansion for both Feature Group B and Feature Group D would have been hundreds of millions of dollars. It must be kept in mind, however, that the same enhanced infrastructure which is necessary for CIC expansion is being used to support many other service capabilities and improvements for customers. In addition, this infrastructure allows LECs to achieve other significant cost savings.

Another component of cost is that which has already been incurred by switch vendors for switching system development necessary to support the industry-approved plan. The amount of these expenditures are known only to those vendors, but the Companies believe that they have been substantial.

Many of the capabilities necessary for CIC expansion have already been incorporated in hardware and software upgrades which have been ordered. Since many of the relevant expenses have already been incurred, or are committed to, Commission action to defer or eliminate CIC expansion would result in only a marginal cost savings. The Companies estimate that if they halted all activity related to CIC expansion today, they could possibly forego the expenditure of approximately \$20 million.

The Companies believe that there are no significant technical issues identified which remain to be solved prior to CIC expansion. There is, however, a major operational issue which deserves mention. The North American Numbering Plan Administrator (NANPA) has recommended a permissive dialing period of 18 months, during which time either the 3-digit or 4-digit CIC would work. This proposed dialing period did not receive consensus support at the ICCF industry meetings. Many participants that currently hold 3-digit CICs favor a longer transition period. Other participants believe that an 18 month transition period is adequate for the effort required to retrain the public to use 4-

digit CICs, and that extending this period would provide a competitive advantage to the incumbents.<sup>4</sup> The industry is attempting to resolve this issue. If these efforts are not successful, the Commission may be asked to encourage the development of industry consensus.

B. The Benefits of FGD CIC Code Expansion Are Significant

CICs are an essential feature of a competitive interexchange marketplace. They allow local exchange carriers (LECs) to route calls over the proper trunk groups in their networks in order to deliver them to the designated IC, ESP, or other access customer. They also (together with other access codes such as 950 and 800) permit a caller from a pay phone or a hotel to access his or her preferred carrier. Without an ample supply of CICs, the Commission's goal of fostering a vibrant, competitive interexchange marketplace could well be jeopardized.

The benefits of CIC expansion are best illustrated by the accelerating demand for CICs. CICs are being requested by existing carriers, new carriers, ESPs and end users. Requests for CICs have recently grown from about 8 a month to over 14 a month, and at that rate they will exhaust in 1995. Code demand is likely to increase as Competitive Access Providers (CAPs) and ESPs continue to proliferate, and will further intensify once expanded interconnection for switched access transport becomes fully effective. This strong demand shows no sign of abating. Participants in industry forums which have addressed assignment guidelines for 4-digit CICs have proposed that each FGD customer be permitted to reserve as many as six CICs. In short, the strong "market"

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<sup>4</sup>Some participants advocate an "open ended" dialing plan in which both 3-digit and 4-digit codes would work in perpetuity. This would impose additional expenses on the LECs, and could be perceived as discriminatory.

demand for CICs is the best evidence of the benefits to be gained from CIC expansion.

C. The Industry Was Unable to Identify Feasible Alternatives to FGD CIC Expansion

The industry forums which examined the issue of CIC expansion were unable to identify any feasible alternative to the plan adopted. One conservation alternative which the industry considered was "sectorization", in which several carriers who operate in different sections of the country and whose service territory did not overlap could "share" a single CIC. This was rejected for various technical reasons. For example, the billing systems of some LECs who operate in several regions of the country could not distinguish between carriers using the same CIC. A few other, less promising, proposals were also examined, but the industry ultimately concluded that 4-digit expansion provided the only satisfactory solution to the numbering needs of ICs, ESPs and other access customers.

D. If Conversion to 4-Digit CICs Is Delayed or Abandoned, There Must Be Clear Procedures for the Assignment, Recall and Transfer of FGD CICs

For the reasons discussed above, the Companies oppose the delay or abandonment of 4-digit CIC expansion. Nonetheless, if the Commission believes it is necessary to postpone or cancel this initiative, it must provide the industry with guidance on how to handle the assignment, recall and transfer of CICs.<sup>5</sup>

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<sup>5</sup>The industry's voluntary conservation guidelines have met with some success. In 1987, the ICCF approved guidelines for the conservation and reclamation of CICs. As of November, 1992, NANPA identified 265 unused CICs and made them available for reassignment. However, the NANPA has also identified 85 instances where an entity has acquired more than 3 CICs as a result of mergers or acquisitions. Only two of these so-called "M+A" CICs have been recovered. In the absence of CIC expansion, the industry must be able to develop self-enforcement

Such guidance could take the form of explicit rules -- developed after an appropriate rulemaking proceeding -- which impose as a condition of providing or receiving interstate services in the United States require that all users of CICs agree that the NANPA is authorized to control the assignment, recall and transfer of CICs. The requirements could be incorporated into LEC tariffs. The following sections discuss the potential framework of these rules.

1. Assignment of FGD CIC Codes

If CIC expansion is delayed or abandoned, the Commission should authorize rules and tariffs that specify a procedure under which the NANPA could allocate the remaining CICs. It appears reasonable to limit the eligible class to certified carriers (*e.g.*, ICs, LECs, cellular carriers, CAPs) and ESPs who do not yet have a CIC. It would probably be necessary to prevent end users from receiving CICs. At the current rate of assignment, there are simply not enough codes for end users. The Companies believe that end users are deserving recipients of CICs, but their interests would have to be secondary to those of certified carriers and ESPs, since both of these groups provide services to the public. Of course, the Commission's rules and the tariffs would need to define the criteria by which requesting parties are classified as carriers, ESPs, or end users.

In addition, each eligible entity should receive only one CIC. Entities which already hold more than one code would not be eligible to receive additional codes.

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mechanisms in order to achieve the necessary compliance with voluntary conservation/reclamation efforts.

## 2. Recall of FGD CICs

In the event CIC expansion is delayed or abandoned, recall procedures are also essential. Many holders of CIC s have multiple codes, several of which are either underutilized or not used at all. In addition, some entities simply go out of business or stop offering services for which CICs are needed. A new carrier or ESP should not be deprived of a CIC while others have more than one CIC. Such CICs must be subject to recall by the NANPA on short notice. To accomplish this, the Commission should promulgate rules and authorize LEC tariffs that:

1. authorize automatic reclamation of CICs by the NANPA within a reasonable period of time after notice to the user;
2. specify that a condition of the assignment of a CIC is the agreement of the user to automatic reclamation by the NANPA and a waiver of any right to compensation for recall;
3. specify a prioritized recall list in which CICs are recalled from end users first, then ICs; and
4. authorize and require consent to an expedited review process to the Commission for CIC recall complaints (whether filed by a CIC user, the NANPA or anyone else) which requires that the comment cycle be completed within 45 days, and that the Commission issue an order 45 days after completion of the comment cycle.

## 3. Transfer of FGD CIC Codes


If CIC expansion is delayed or abandoned, the Commission's rules and LEC tariff should also specify that a user of a CIC has no authority to sell or transfer its code to another. If the user of a CIC no longer wishes to actively use that code, it should not be allowed to profit from the sale of the code to another. Instead, the provider should be required to return the code for allocation to another user. The initial allocation procedure, and not a secondary resale market, should control the reassignment of the codes.

Similarly, the Commission should not permit entities to permanently acquire excess CICs through merger or acquisition. Rather, the Commission should consider establishing a rule and authorizing LEC tariffs which impose an agreement as a condition of providing or receiving interstate services that an entity which acquires the excess CICs to return the code to the NANPA within a reasonable period of time.

### CONCLUSION

For all of the above-stated reasons, the Companies respectfully request that the Commission find that no further action on Feature Group D CIC expansion is in the public interest, and to further order that Phase II of this proceeding be terminated.

Respectfully submitted,



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Date: December 28, 1992